Building Great Cities: Houston's Opportunity



Marilee Utter, CRE
Citiventure Associates

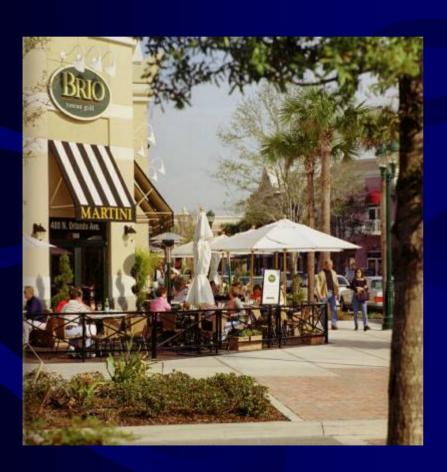
Tim Van Meter VMWP

August 2006

It is difficult to design a space that will not attract people. What is remarkable is how often this has been achieved.

--William H. Whyte

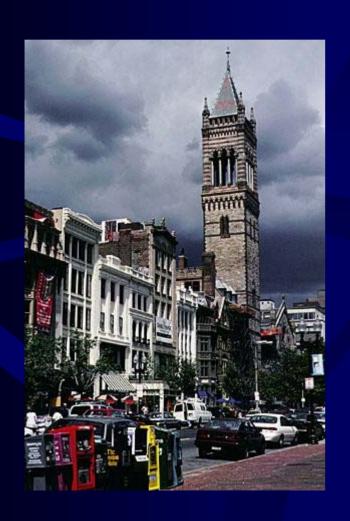
Return to Community



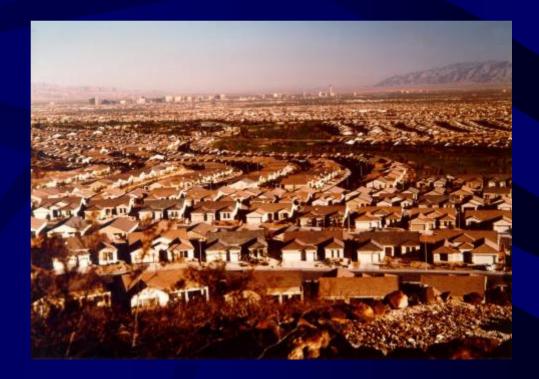
- Americans desperately want to belong to a community--a "village"
- Pre WWII: Ethnic villages and communities the norm

Loss of Village...

Then



•Now



We shape our buildings, and afterwards, our buildings shape us.

--Winston Churchill

In every community: places we treasure...

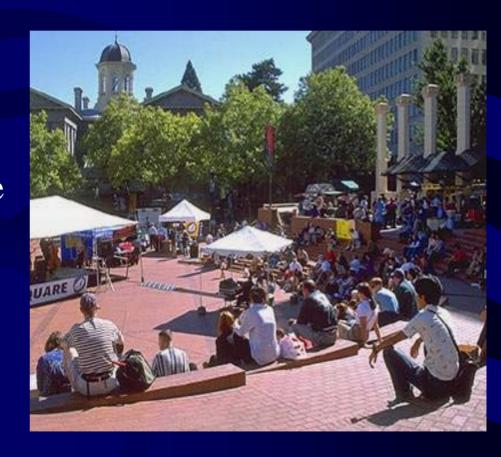


In every community: places we want to change



The Price of Village

- Today: people pay a premium to drive and park--ONCE
- Villages are among the world's highest priced real estate
- Problem: villages are too rare, too precious, and too expensive!



The Opportunity: Placemaking

- Pedestrian orientation
- Compact development
- Mix of uses
- Civic uses
- Transit
- Urban or suburban
- New or redevelopment
- Transformation





Images by Urban Advantage



Images by Urban Advantage



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America is undergoing some profound changes...

Changing Demographics of Metro Areas

- Married couples with kids no longer dominant
- Empty nesters on the rise
- Single person households want "urbanity"
- The rise of the "Creative Class"



Married Couples with Children No Longer Dominant



27% of households in 1990, now only 22%

Aging of the U.S. Population



- By 2020:70 million over 55
- By 2050: 50+% over 55
- AARP: 71% of older households want to be in walking distance of transit

Converging Demand for Housing



Baby boomers

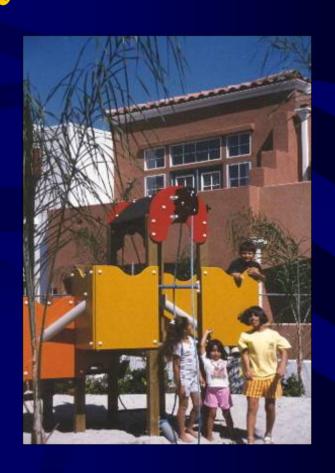


Echo boomers

- Singles will soon be the new majority
- By 2010 Echo Boomers will total 34% of the population
- Both kind of boomers seeking similar housing options

The New Face of the American Family

- By 2050: Half US population will be non-white
- The average Hispanic household is 3.5 persons, average white household 2.5 persons
- Extended family living. Age-in-place housing. Transit.



Everything is a drive away....

Suburban moms spend 17 full days a year behind the wheel—more than the average parent spends dressing, bathing and feeding a child.



--Surface TransportationPolicy Project

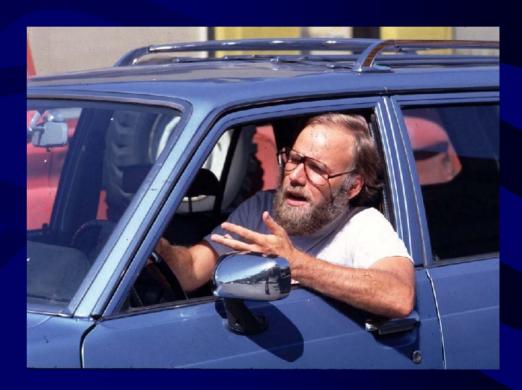
Rising Transportation Costs—in Money and Time

Skyrocketing gasoline prices

Longer travel distances

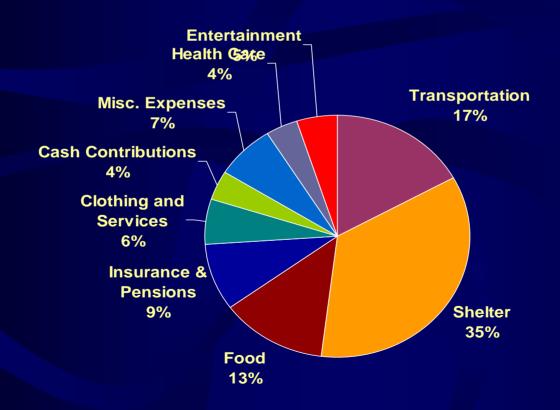
Greater commute time

Unpredictability of congestion

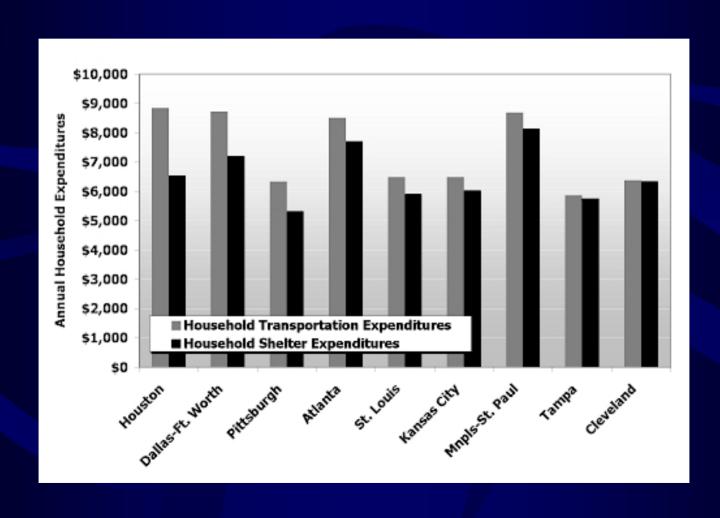


Transportation is the Highest Household Cost after Housing

Typical American Household Budget



Cities Spending *More* on Transportation than Shelter



Only 60% of Americans drive cars...



Transit "Building Boom"

- Rail new "darling" of transit—changing perception and ridership
- Heavy demand for rail/trolley/streetcar/ bus rapid transit in new regions
- Expansion of existing systems



Focus on Health/Prevention



Profound Technology



- 24/7 connectedness
- "Speed of light" transactions
- Global marketplace
- Multi-tasking
- "Post-Geographic" employees with no permanent office
 - 15% now; 40% by 2012
- Generation Gap

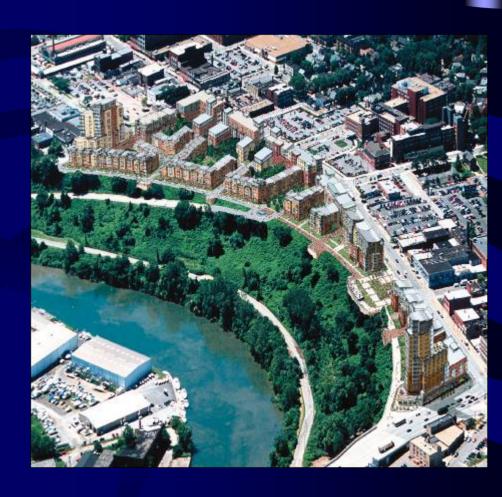
Sustainability and Design



- Attention to global warming, reduction of greenhouse emissions
- Sensitivity to limited resources
- Value for green buildings
- Rise of the celebrity architect

Urban Reinvestment

- 75% of downtowns surveyed gained population in 1990's (Sohmer/ Lang 2002)
- New investment in housing, retail in downtowns and older suburbs



"Anything Anytime/ Have it my way"



Economic Polarization



Intense Competition Among Cities



Grand Central Station, NYC



The Embarcadero, San Francisco

Intense Competition Among Cities





Suburbs
Market Commons
Arlington County, Virginia

Inner City
Pittsburgh, PA

Changing Real Estate Markets

Priority investments:

- 24 hour cities
- mixed-use
- access to transit
 (Price Waterhouse
 Coopers, Emerging
 Trends in Real
 Estate 2003)



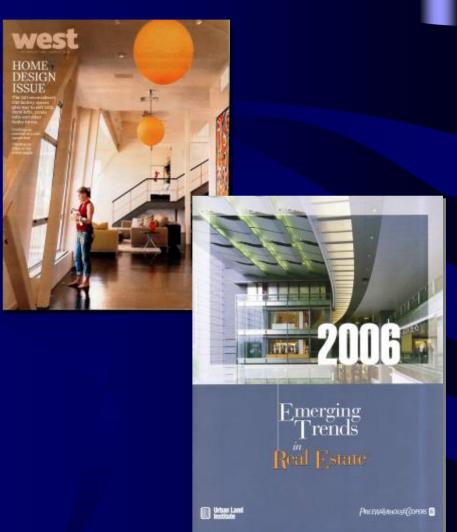
Changing Markets



- Professional Builder:
 37% of households
 want small lots and
 clustered development
- <2% of new housing starts in this category

Changing Consumer Preferences

- Wall Street Journal: 2005
 median price for condos
 tops single family homes
- 9th record year of condo sales
- Cover of *Dwell* magazine: "Small is the New Big"
- Business Week: biggest homebuilders open infill divisions



Investment Outlook 2005-2010

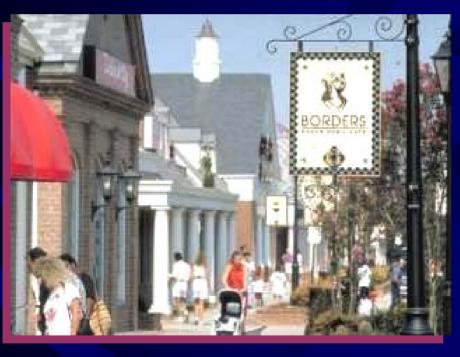
• OUT

- Greenfields
- Suburban office campuses
- Subdivisions without town centers
- "Drive 'til you qualify"
- Big lot housing

• IN

- Brownfields
- Greyfields
- Grey Boxes
- Transit OrientedDistricts (TOD)
- Mixed-income housing
- Suburban mixeduse
- Green development

Trends in Retail



- Free Standing/Big Box
- Enclosed/Regional Malls
- Grocery-anchored strips
- Lifestyle Centers
- Main Street/Town Square/'Places'

Trends in Office



- Prime locations
- Lively places
- Cool spaces
- Size flexibility
- Shorter lease terms
- Office condos

Trends in Residential



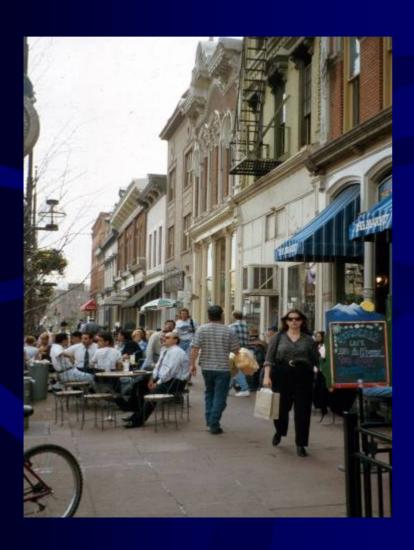
- Higher prices
- Smaller spaces
- High-amenity design
- Low maintenance living
- Central location
- "Flex" space
- Age in place

Important Other Uses



- Business incubators, office, research
- Medical centers
- Senior citizen complexes
- Governmental offices
- Civic facilities
- Colleges, multiuniversity centers, schools

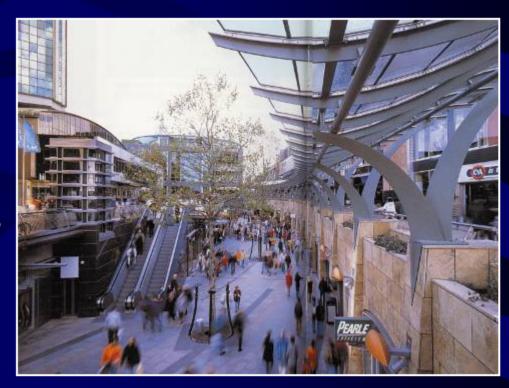
The Case for Mixed Use



- Highest land values
- Most efficient use of land
- Long term economic sustainability for City
- Strengthens civic identity
- Opportunity for new housing types
- No-drive option

Transit Oriented Districts

- Walkable, compact, mixed-use districts around transit stations
- ½ mile, 360 degree ring
- Desirable destinations on the line
- Provide choices
- Economic recapture



What's in a Name?

- Transit-Oriented Development (TOD)
- Transit-Oriented District
- Development Around Transit (DAT)
- Transit Village
- Transit-Ready Development



TOD: An organizing principle to do what we should be doing anyway--creating great *people* places

TOD: Here to stay because of the broad benefits...

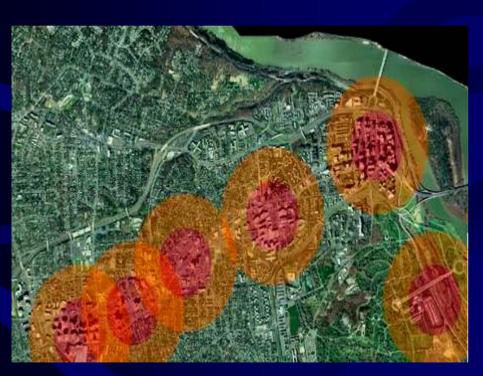
TOD and Federal Transit Administration

 Inundated with transit requests--strategy to allocate and leverage scarce dollars

 \$65+ billion in transit requests now in Washington DC TSTORE AND C

 Land use and TOD now a critical "New Starts" criteria

TOD and Regional Governance



- Provides a regional growth strategy
- Allocates and leverages scarce funding
- Ties land use to transportation
- Shapes urban form
- Addresses air quality, open space issues

TOD and Transit Agency



- Raises ridership
 - Residents 5X more likely
 - Workers 3X more likely
 - Off-peak demand
- Potential for profits/new funding source
- Popular, visible new product line

TOD and Local Community



- Identity/landmark "places"
- Community amenities

 (open space, plazas,
 public art, civic
 buildings, etc.)
- Reduces local infrastructure costs by 25%

TOD and Local Community

- Site for infill growth, additional housing
- Protects existing neighborhoods
- Powerful economic development generator



TOD and Economic Activity: Arlington County Before...



and After.

30% revenue from 7% of the land Surrounding neighborhoods preserved



Traffic Stayed Constant or Went Down!

Location	1980	Projected for 2000 in 1980 plan	1997	2001	2003	2004
Clarendon Blvd (East of N Garfield)	3,500	22,200	13,029	14,199	13,611	12,843
North Highland (N of 11th Street)	8,052	7,712	7,587	8,156	n/a	n/a
North Highland (S of Key Blvd)	3,400	7,000	4,906	3,946	n/a	n/a
North Washington Blvd (W of N Daniel)	20,000	25,900	18,468	18,513	17,660	17,230
North Washington Blvd (W of Clarendon Circle)	17,300	21,400	20,232	19,478	n/a	n/a
Wilson Blvd (E of N Daniel)	15,000	36,900	13,374	n/a	14,174	15,795

TOD and Economic Activity

- DALLAS:
 LRT @\$800 M—
 \$3.7B in economic activity
 (Source: Univ. of No. Texas)
- PORTLAND: MAX \$2.4B in new development value; Downtown Streetcar @\$1.6 B

(Source: Tri-Met, Portland)

PITTSBURGH
BUSWAY:
54 development projects
valued at \$302 million

(Source: Port Authority of Allegheny County)

OVERALL:
EXPECT 3-5X
"SPIN -OFF"
PRIVATE
INVESTMENT

TOD and Property Values

- Washington DC:
 - +\$2-4/SF commercial rents
- Portland, OR:
 - +10% rent premiums
- Dallas, TX:
 - + 39% for residential, +53% for office
- Santa Clara, CA:
 - +45% for residential, +23% for commercial

TOD and Property Values



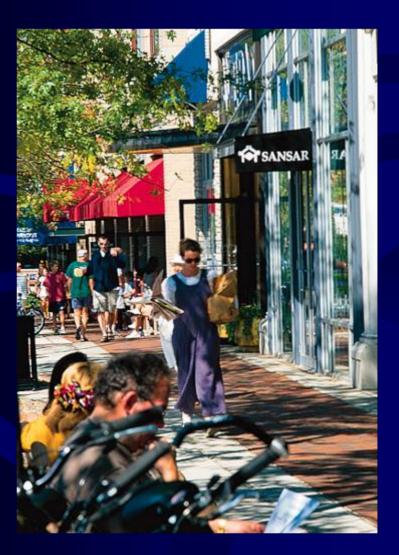
Over time, TOD's are the most valuable properties in the metro area, averaging a premium of 15-20%.

TOD and Workforce Housing

- Mixed-use offers local services, amenities without driving
- Transit extends access to jobs
- Reduced
 dependence on
 cars—cheaper!



TOD and Consumers



- Creates "hip" new neighborhoods
- Offers alternative housing types at suburban sites
- Makes transit more convenient
- Reduces need for car
- Opportunity for more affordable housing/lifestyle

But TOD is still just creating great places. How is it really done? What are the elements?

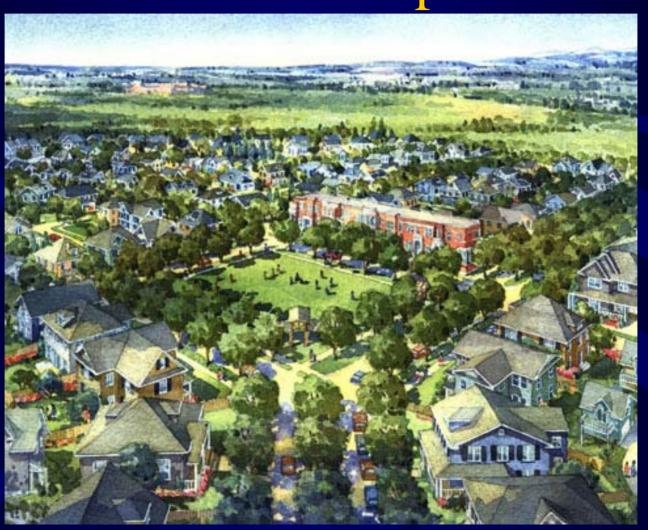
Creating Great Neighborhoods



Great Diverse Residential Areas



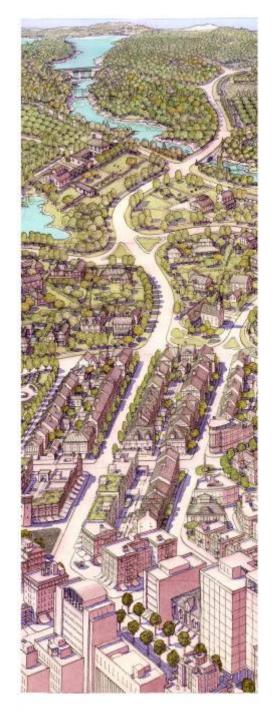
Great Public Spaces



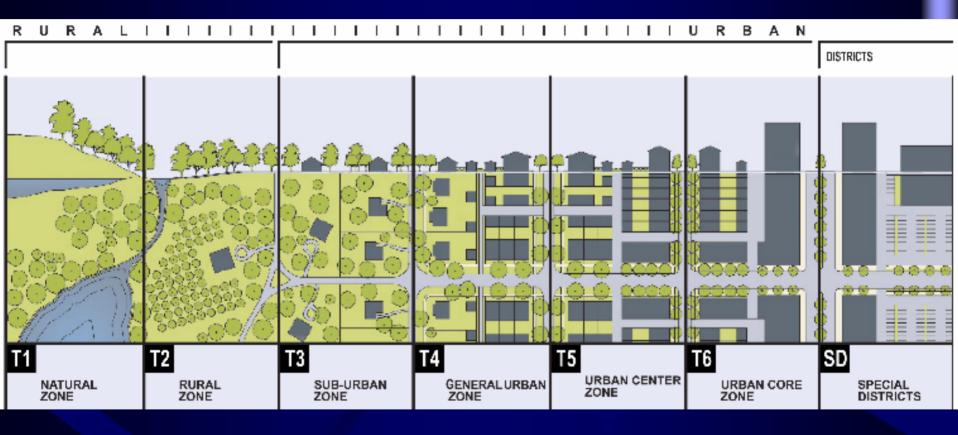
Great Streets



Great Street Transitions



Transect: Urban to Rural Transitions



Natural

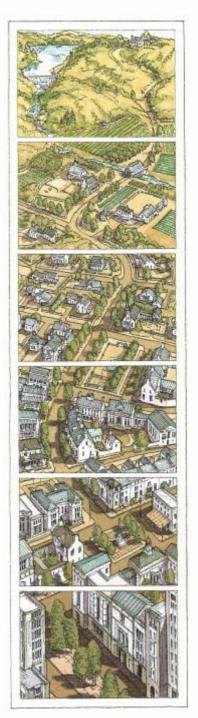
Rural

Suburban

Urban

Urban Center

Urban Core



Street as Utility



- Auto Dominated
- Mono Culture of Land Uses
- Pedestrian Intolerant
- Anywhere USA

Street Transformation



- Street Front Buildings
- Mix of Uses
- Pedestrians

Street Design



- Pedestrian Sidewalks
- Street Landscaping
- Street Furniture

Street as Place



- Activity
- Bicycling
- People Place

Street as Utility



- Auto Dominated
- Monoculture of Land Uses
- Pedestrian Intolerant
- Anywhere USA

Street Transformation



- Pedestrian Sidewalks
- Street Landscaping
- Street Furniture
- Street Medium

Street Design



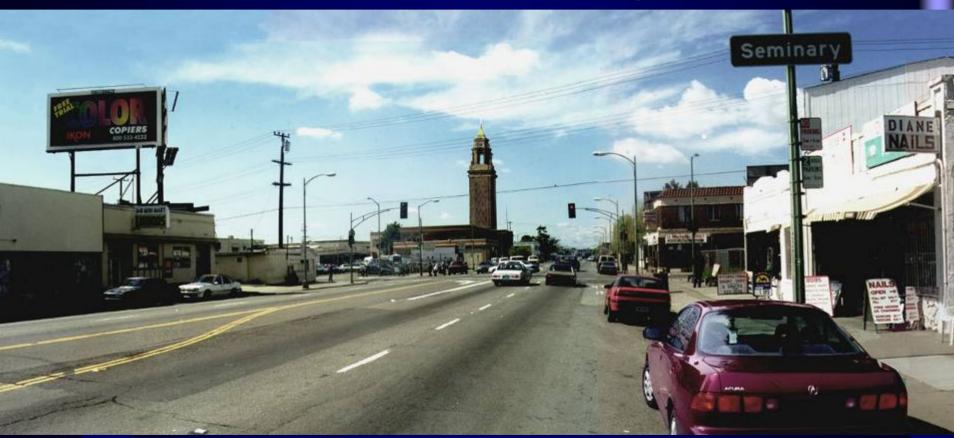
- Street Front Buildings
- Mix of Uses

Street as Place



- Pedestrians
- Activity
- People Place
- Convenient Parking

Street as Utility



- Auto Dominated
- Monoculture of Land Uses
- Anywhere USA

Street Transformation



- Street Front Buildings
- Mix of Uses
- Street Medium and Landscaping

Street as Place



- Pedestrians
- Transit
- Bicycling

TOD Ingredients: Get the Details Right!



- Link "Access Priorities" to Design
- Create Immersive Environments
- Not every place has to be the same
- Always think about the Consumer

16th Street BART, SF

Street Running in Center Alignment

 Allows creation of station areas, requires a lot of street width

 Pedestrians must cross through traffic to get to stop

Houston and Strausbourg



Street Running, Either Side Alignment

 Better transitpedestrian interface

 Most suitable for downtown where access trumps speed





Portland, OR

Every neighborhood is unique, and will grow to be its own place...



Texas Medical Center





Embarcadero, SF

Downtown Houston

Major Urban Center

- High Rise Buildings
- Office, Residential, Retail, Entertainment, Civic
- Walkable Streets
- Transit Hub



Sugarland
Town Center

Charlotte, NC

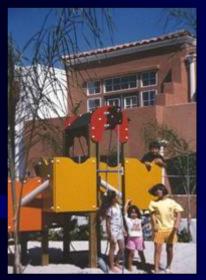
Urban Center

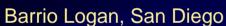
- Sub-Regional Destination
- Office, Retail, Residential, Entertainment
- Mid and High Rise Buildings
- Walkable and High Transit Connectivity



Denver

Neighborhood







Rockridge, Oakland



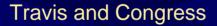
Midtown Houston

- Primarily Residential, with retail and service core
- Single Family Neighborhoods and more dense housing arrangements
- Mix of Housing Types
- Supports rapid transit, light rail or rapid bus.

Retail Street



International Blvd., Oakland, CA





Portland Streetcar



- Revitalization of historic main streets and neighborhood shopping streets
- Densification preserves surrounding single family neighborhoods
- Walk access to transit
- Connectivity to neighborhoods



Rice University

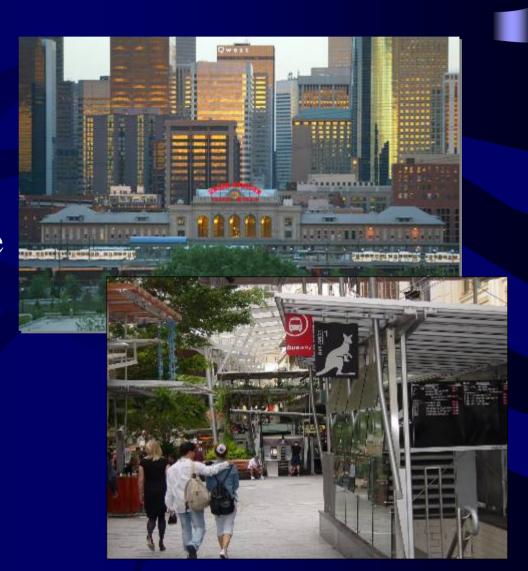
Campus/Special Events Center

- Universities, colleges, sports facilities
- Limited residential, office
- Transit connectivity

But great places don't just happen...

What Does it Take to Get Great Places?

- Define Goals Upfront: The Vision
- Design for Pedestrians and Place
- Leadership!
- Partnerships
- Let the Market Lead



Common Public Sector Mistakes

- Not insisting on great streets
- Not helping with land assembly
- Wanting retail on every street
- Not understanding density
- Requiring too much parking



Common Public Sector Mistakes

- Expecting developers to determine the vision
- Not prioritizing the pedestrian FAR into the neighborhoods
- Not insisting on great design and materials



Development Champions

- Role of the Public Sector
 - Work with community to set long term vision
 - Identify priority development areas
 - Implement meaningful standards/incentives
 - Regulate design over use
- Role of the Private Sector
 - Bring capital and expertise to implement vision
 - Make reasonable profit in short term

Development Champions

- Role of the Not For Profit Sector
 - Call the question
 - Convene the players
 - Initiate thoughtful planning
 - Educate the community
 - Insist on good design
 - Advocate for good projects
 - Support elected officials

Words to Live By...

Doug Porter



• Choices

Connections

Collaborations

Working Sessions

- Groups of 10-15
- One of three City areas
- Facilitator, Designer, Recorder
- Goal: Using growth to build great neighborhoods
- Share visions—use Place Types
- Lunch at noon
- Report back on priority issues
- DON'T BE SHY!

Place Types

Places	Activity Mix	Housing Types	Commercial Employment Types	Proposed Scale	Connectivity	Local Examples	Color Code	Examples
Major Urban Center	Office Residential Retail Entertainment Civic Uses	Multi-Family/ Loft	Employment Emphasis, with more than 250,000 sf office and 50,000 sf retail	5 Stories and above	Intermodal Facility/ Transit Hub. Major Regional Destination with quality feeder and circulator connections	Downtown Galleria District Medical Center	<u></u>	
Urban Center	Residential Retail Office	Multi-Family/ Townhome	Limited Office. Less than 250,000 sf office. More than 50,000 sf retail	3 Stories and above	Sub-Regional Destination. Some Park n Ride. Linked district circulator and feeder transit service	Areas of Montrose/ Museum District Allen Parkway	U	
Neighborhood	Residential/ Neighborhood Retail	Multi-Family/ Townhome/ Small Lot Single Family	Local-Serving Retail. No more than 50,000 sf	1-5 Stories	Walk up station. Very Small Park and Ride, if any. Local and express bus service.	Mid-Town West University Magnolia Park Montrose	•	
Retail Street	Residential/ Neighborhood Retail	Small Lot Single Family	Main Street Retail Infill	1-4 Stories	Bus or streetcar corridors. Feeder transit service. Walk up stops. No parking.	Rice Village 19th Street (Heights) Highland Village	R	
Campus/ Special Events Center	University/ Campus Sports Facilities	Limited Multi-Family	Limited Office/ Retail	Varies	Large Commuter Destination	Rice University U of H TSU Reliant Park	0	